

Hollywood
Property Owners
Alliance

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Mark Stephenson
Hollywood United
Methodist Church

John Tronson
Avison Young

Kerry Morrison
Executive Director



Hollywood Property Owners Alliance
1680 Vine Street, Suite 414
Hollywood, CA 90028
phone 323 463 6767 fax 323 463 4229

August 1, 2013

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Second Quarter Report: April 1, 2013 through June 30, 2013

As is required in our Agreement with the City of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- Fabio Vasco, Gleicher, Tilley & Leonard, presented a draft of the independent financial review to the board at their April 18, 2013 meeting. The actual report was approved by the board at their June 20, 2013 meeting.
- Upon staff's recommendation, the board agreed to forgo any CPI increase for the coming assessment year. This decision was made at the 4-18-13 meeting.
- Leslie Blumberg, owner of The Fonda Theatre, was elected to serve the term remaining, owing to the resignation of Lee Rierson, at the 4-18-13 board meeting.
- The board held its annual strategic planning retreat on May 17/18 at the Roosevelt Hotel in Hollywood. Those who attended met at midnight in the lobby of the hotel and fanned out in three groups for the next three hours to experience, first-hand, what it is like to be a pedestrian in the BID. They also visited certain clubs and venues, and also observed the "2 a.m. push" at three different spots in the BID. The next morning, the board met from 9 a.m. to noon to debrief. Because not all members were able to attend the retreat, a report from the retreat was presented to the full board of directors at the June 20, 2013 board of directors meeting. Out of that meeting came six general action-oriented recommendations for the coming year (these still need to be approved): The board members discussed ways to hold property owners accountable, including face-to-face meetings, and emphasizing introspection as a force for change. They would like to seek aggressive regulation of promoters, including holding the business owner and property owner responsible for infractions. They would encourage organization of residents and/or residential managers to speak to quality of life issues; redeploy BID budget surplus toward extended hours security patrol; and discourage, prohibit, assess, or regulate party buses.
- Because of seismic rehabilitation occurring in the Taft Building, the staff moved to temporary office quarters at WeWork, 7083 Hollywood Blvd, in mid-May.
- The board approved a change to the HPOA disability leave policy at the meeting in June. The new policy would provide a one-time "bank" that could be used for various reasons including disability, illness, or

family issues. This benefit would not accrue in such a way that an employee could take these hours with them. The benefit could also be used in increments.

II. Security

- The board approved a five year contract with Andrews International at their April meeting. This culminated a process which had started in late 2012, and involved the oversight of an ad-hoc security selection committee. The contract amounts to approximately \$1.57 in the first year, and can be adjusted in subsequent years with a memo.
- During this quarter, the 13 week experiment ended whereby BID security patrolled for an extra two hours on Thursday, Friday and Saturday, from 8 p.m. to 10 p.m. The committee opted to not continue this experiment as the outcomes did not warrant BID security functioning in an “observe and report” role in those hours.
- During this quarter, the city attorney completed work on the tour bus ordinance (to remove the exemption which currently allows tour bus companies to solicit and sell on the public right of way). However, because of the impending elections, and the uncertainty about how this will be enforced, it was likely that the final touches to the ordinance would not occur until the new administration took over after July 1.
- The board received a presentation at their June meeting from a small group of street characters/buskers who expressed concerns about the deteriorating level of public safety on the sidewalks in front of the Dolby and Chinese Theatres.
- A conference call was held on Thursday May 16 to discuss similarities faced by the BID in Times Square with the Hollywood BID with respect to aggressive street characters and vendors. Representing Times Square was the BID Security Director and a member of the NYPD and their city attorney. From Hollywood, in addition to BID staff, we had Captain Girmala and Andre Quintero, and Steve Seyler our BID security director. Though both cities share the same problems, no magical solutions arose out of the conversation.
- At the June meeting of the board, Joe Mariani reported that the technology the video surveillance camera system uses has become outdated, and that Metro Video is running out of replacement parts to keep the system in working order. The main repeater, which was located on top of the Sunset Media Tower, was removed by a construction crew recently and could be difficult to replace. At issue is whether the BID should continue to invest in upgrades to this system. The committee will discuss at the next meeting.
- The following are the second quarter security stats for the Hollywood Entertainment District:

	Arrests	Radio Calls	Business Contacts	Citizen Contacts	Homeless Referrals
Q2	228	947	1,880	4,228	128
YTD	411	1,775	3,896	8,132	285

III. Streetscape

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- In response to a request from a property owner to remove a bench at the NW corner of Hollywood and Cahuenga, the board agreed to have the benches temporarily removed (at the owners expense). The benches had become a magnet for individuals who are homeless. This arrangement will be reevaluated in six months.
 - The Streetscape Committee participated in a day-long walk-thru with BID staff on April 4th. The group walked the sidewalks in the BID and was joined by Amy Schulenberg, from the City of LA's tree planting program, as well as landscape designer, Troy Silva. Besley presented a slideshow to the Board showing a punch-list of items that the group plans to address in the coming months, including planting in barren stretches of sidewalk, removing sidewalk graffiti, experimenting with new plants in tree-wells and planters, and possibly hiring an engineering firm to draw up plans for a landscaped median on Vine Street – south of Sunset Boulevard.
 - Sarah Besley assisted insurance attorneys on the Carr lawsuit, which involves a Canadian tourist that tripped on a tree-well on Orange Drive. Besley was deposed by the Plaintiff's attorney in October, 2012, and all parties are awaiting mediation in July.

IV. Marketing Issues

- The new consulting firm, Haines & Co, was introduced at the April meeting of the board of directors. They reported that they would begin work on identifying the "big ideas" in the BID, and would work for the next two months to interview key stakeholders to come up with a strategic blueprint and key messages. This will lead to a 12-month plan.
- Over the course of the quarter the Haines Team embarked upon many interviews of property and business stakeholders to ascertain their view of the future of the HED, as well as gathering information about the "bright spots" on the horizon with developments, retail and other business ventures. At the June meeting of the board, the Haines Team presented their blueprint, and presented five "thematic dimensions" of a branding initiative: Eastside Eclectic, Culturally Creative, Iconic Hollywood, Retro Glam and New School. A subcommittee was scheduled to meet with the Team before the end of the month to provide final input before the media outreach is launched this summer.
- The staff met in a strategy session with communications and digital media specialists at Phaz2 Media on April 3 in order to map out a communications strategy for streamlining the web presence of the HED (which includes Navigate Hollywood, the social media sites and the Sunset BID).
- The HED had a table at the Annual Chamber Business EXPO on Tuesday April 2.
- The staff conducted pedestrian counts at four locations in the BID on Thursday May 2. This information will be used in marketing collateral that will be prepared later in the year.

V. Other

- Guggenheim Partners made a presentation at the April meeting of the board, seeking support for their concept to work with the city to create a parking district for Hollywood. A subsequent meeting was set up for May 15, 2013 to allow for stakeholders in both the Hollywood and the Sunset BIDs to ask more probing questions as to how this would work. At the June 20 meeting of the board, the board voted to

approve the concept of a parking district for Hollywood but to remain neutral on endorsing any particular firm or entity.

- Kerry Morrison visited with members of the business community in Reseda on April 1 to take a tour and offer advice on the formation of a BID.
- Kerry Morrison and Sarah Besley participated in a task force, organized by the Chamber, looking at how to reform or address the CUP (and enforcement process) with respect to nightclubs and restaurants in Hollywood. A report was prepared for sharing at the Chamber annual retreat in April.
- Kerry Morrison and Sarah Besley attended the annual strategic planning retreat for the Hollywood Chamber of Commerce on the weekend of April 19-21 in Oxnard.
- Kerry Morrison attended a meeting of the CDA special task force on general v. specific benefits held at the Burbank Hilton on April 23 and June 5.
- With respect to a city proposal to streamline the development process, and merge the planning department with the building & safety department, the board voted at their April meeting to support the concept of streamlining, reducing costs and inefficiencies and to continue to explore the possibility of realigning various city departments into one.
- The Westside Urban Forum bestowed a high honor on the Hollywood Entertainment District – the Westside Prize – at a luncheon held on June 7, 2013 in Santa Monica.
- Kerry Morrison participated in the Chamber’s annual Economic Summit on June 18, and spoke on the topic: “Who lives in Hollywood?”
- Kerry Morrison and a group of Hollywood leaders met with Senator Kevin DeLeon on June 28 to discuss ways in which the legislature can address some of the issues that surfaced in the wake of a murder of a Hollywood visitor on June 18. The key topic was the need for mental health treatment for those individuals who suffer from mental illness and are prone to violence.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals Quarter Ending June 30, 2013

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	3,518,182	2,870,225				
City Fees	35,414		-	35,414	-	
Contingency	51,048		248	619	50,429	
Administration	207,990		43,288	85,910	122,080	
Security	1,650,000		388,381	718,744	931,256	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Maintenance	1,097,016		306,018	567,593	529,423	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Personnel	384,426		92,914	185,900	198,526	
ED&C/Marketing	120,000		19,685	26,363	93,637	
TOTAL	3,545,894	2,870,225	850,533	1,620,542	1,925,351	

Other income (not included above):

DWP Grant	-
Assessment Penalties	8,776.02
Interest-LA City	3,389.62
Interest-other	348.70
Total other income as of June 30, 2013	<u>12,514.34</u>